more modern methods of cultivation and milling raised year by year the amount of sugar exported, almost entirely to the United States. Sugar overtook all other products to become the leading export. With abundant labor, adequate capital, and the advantage of free entry to the American market, attractive profits were made. Unthinkingly, the Philippine money eggs were placed all in one basket.

American farmers were aroused by the increasing competition offered by Philippine sugar to their domestic-raised sugar beets and sugar cane. American capitalists with large investments in Cuban sugar began to lobby against the Philippines. Eventually the Philippine Commissioners and their friends in Congress were forced to agree, in the Philippine Commonwealth and Independence Law, to a quota of 50,000 long tons of refined sugar and of 800,000 long tons of unrefined sugar, to be followed after the expiration of the fifth year by the imposition of an export tax. Later under the Jones-Costigan Act a sugar quota of 1,015,185 short tons (slightly over 900,000 long tons), which subsequently was retroactively reduced to 1,005,602 short tons, was allotted the Islands for shipment to the United States in 1934. The 1935 quota for the Philippines as revised was reduced to 981,958 short tons. In respect to refined sugar the quota assigned the Philippines was placed at 79,661 short tons raw value.

The sugar problem for the moment is mainly one of crop reduction and control. The Governor-General was named the local representative of the United States Department of Agriculture. He fixed the Philippine sugar

quota for 1935 at 694,606 short tons, divided as follows: export, 524,606, domestic consumption, 70,000, and emergency reserve, 100,000. For crop reduction, the planters are given benefit payments out of the processing tax collected in the United States to compensate them for their losses.

The sugar problem of the near future is no problem at all. With the American tariff wall raised against Philippine sugar,